



1401 Fulton Street, Suite 210  
Fresno, CA 93721  
T: (559) 266-8000 / F: (559) 266-8005

July 30, 2020

Ms. Aldi Dodds  
Deputy City Manager  
City of Fresno, Office of the City Manager  
City of Fresno, City Hall  
2600 Fresno Street  
Fresno, California 93721

Dear Ms. Dodds:

This letter provides the status update for the North Fulton Mall Development Project that is the subject of the Exclusive Negotiation Agreement (ENA) between the City of Fresno and Tutelian & Company, Inc. More specifically, this is the Status Report that is required to be provided to the City Council no later than September 5, 2020 pursuant to Section 5 of the First Amendment to that ENA.

The intended Project encompasses a Project Site that includes the existing CVS store and its surface parking lot. The intended support by the City for the Project includes the conveyance of excess right of way that previously served as part of the Tuolumne reversal (to be sold at its As-Is- Where-Is appraised fair market value), and the completion of certain public utility services whose installations are consistent with the stated goals and policies of the Fulton Corridor Specific Plan.

Within the parameters of this Project site we propose to develop approximately 30,000 square feet of retail development and approximately 160 multi-family residential units, plus a parking structure to support all such uses.

The first phase includes the relocation of the existing CVS pharmacy to a newly developed store on the northeast corner of the site. That relocated store will also support four additional stories of multi-family housing (a five-story structure), with approximately 45 units. This initial phase also includes development of a multi-story parking garage providing a total of 510 spaces, which will also include retail shops on its first floor. Subsequent phases will include a boutique market that will also have multi-family units on upper stories, and a separate structure that will house live-work units.

Space plans for this development, as well as renderings and certain section details are also provided. The enclosed renderings include an illustration of how the existing mural wall interfaces with the Project. We have shared those renderings with the owner of the mural, and he has expressed his satisfaction and approval.

The following activities have been coordinated and completed since the First Amendment to the ENA was adopted.

1. Completed Draft DDA. We have developed and provided to the City Manager's office a substantially complete draft of a Disposition and Development Agreement (DDA) to govern the intended Project. The draft DDA includes the provisions required by Section 4 of the First Amendment to the ENA, to address the historic artwork, compliances with the intended Responsible Neighborhood Market Act, and specified indemnifications and release of

claims benefitting the City. It also includes details governing the acquisition of the Tuolumne reversal and the construction phasing.

2. CVS LOI. We have traded two drafts of the intended Letter of Intent with CVS and held several negotiation conferences concerning its terms. The parties have reached conceptual agreement on the building layout, the construction phasing, and most of the other material terms and conditions under which CVS will make its land available and conduct its relocation. A further updated draft of the Letter of Intent will be submitted to CVS within one week from the date of this memorandum. We had intended to have it submitted before this report, but we just today received an additional request from CVS that we need to incorporate. When the LOI is completed, the Project will be scheduled for presentation to a board of CVS's real estate executives. We anticipate that this presentation will be held in October, based on CVS's present schedule for conducting such matters.

3. Architectural and Engineering Status. Architectural drawings for the Phase 1 development (the CVS/Multi-family structure and Parking Structure) have been completed to the 30% detail level. A Structural Engineer has been engaged. The Civil Engineer is working on construction details and an infrastructure budget. The Architect and Civil Engineer are coordinating efforts to establish the most efficient points of connection for all utility services for each building within the Project. The Civil Engineer is also coordinating with PG&E to establish points of connection for the electrical services and locations of required transformers.

4. Affordable Housing. We have decided to consider incorporating an affordable housing component into the multi-family residential units. We are presently inventorying the range of programs that facilitate such important arrangements and are working with counsel and consultants in Sacramento that specialize in these matters. It is also hoped that incorporating an element of affordable housing in the Project may foster grant funds to help support the City's installation of the necessary utility capacities. The draft DDA has a place holder that addresses these elements, which we expect to be finalized within the next sixty (60) days.

5. Private Financing. As was reported previously, we already have expressions of interest from local financial institutions, and consultations with those lenders is ongoing. To obtain firm financing commitments, we need to finalize the construction documents and drawings to the level that will support a financing appraisal. We are directing our consultants on an aggressive timeline, and anticipate having such detailed of documents and drawings, including engineer's estimates and preliminary contracting bids, sometime in October or November.

We thank you for the opportunity to provide this report and trust that it satisfies the requirements of a status report required under the ENA. Please let me know if you or the Council have any questions about these items.

Sincerely,



Clifford H. Tutelian, President  
Tutelian & Company, Inc.

Enc. Space Plans  
Renderings  
Section Details